



National Health Service (Wales) Act 2006

2006 CHAPTER 42

PART 11

PROPERTY AND FINANCE

CHAPTER 6

FINANCE

Local Health Boards

175 Financial duties of Local Health Boards

[^{F1}(1) Each Local Health Board must, in respect of each three-year accounting period, perform its functions so as to secure that its expenditure which is attributable to the performance by it of its functions in that period (not including its general ophthalmic services expenditure) does not exceed the aggregate of—

- (a) the amount allotted to it for each financial year in that period under section 174(1)(b),
- (b) any sums received by it in each financial year in that period under any other provision of this Act, and
- (c) any sums received by it in each financial year in that period otherwise than under this Act for the purpose of enabling it to defray any such expenditure,

by an amount that is more than is determined in writing by the Welsh Ministers.]

[^{F2}(2) The Welsh Ministers must give directions to a Local Health Board requiring it—

- (a) to prepare a plan which sets out its strategy for securing that it complies with the duty under subsection (1) while improving—
 - (i) the health of the people for whom it is responsible, and
 - (ii) the provision of health care to such people;

Changes to legislation: National Health Service (Wales) Act 2006, Section 175 is up to date with all changes known to be in force on or before 28 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (b) to do such other things as appear to be requisite to secure that it complies with that duty.]

[^{F3}(2A) A Local Health Board does not comply with a direction given to it under subsection (2) (a) unless the plan prepared in accordance with that direction has been submitted to and approved by the Welsh Ministers.]

- (3) To the extent to which—
- (a) any expenditure is defrayed by a Local Health Board as trustee or on behalf of a Local Health Board by special trustees, or
 - (b) any sums are received by a Local Health Board as trustee or under section 169, that expenditure and, subject to subsection (5) those sums, must be disregarded for the purposes of this section.
- (4) For the purposes of this section sums which, in the hands of a Local Health Board, cease to be trust funds and become applicable by the Local Health Board otherwise than as trustee must be treated, on their becoming so applicable, as having been received by the Local Health Board otherwise than as trustee.
- (5) Of the sums received by a Local Health Board under section 169 so much only as accrues to the Local Health Board after defraying any expenses incurred in obtaining them must be disregarded under subsection (3).
- (6) Subject to subsection (3), the Welsh Ministers may by directions determine—
- (a) whether specified sums must, or must not, be treated for the purposes of this section as received under this Act by a specified Local Health Board,
 - (b) whether specified expenditure must, or must not, be treated for those purposes as expenditure within subsection (1) of a specified Local Health Board, or
 - (c) the extent to which, and the circumstances in which, sums received by a Local Health Board under section 174 but not yet spent must be treated for the purposes of this section as part of the expenditure of the Local Health Board and to which financial year's expenditure they must be attributed.

[^{F4}(6A) The Welsh Ministers must, in relation to each three-year accounting period, report to the National Assembly for Wales before the end of the financial year following that period on whether each Local Health Board has complied with the duty under subsection (1).]

- (7) “Specified” means of a description specified in the directions.

[^{F5}(8) Three-year accounting period” means a period of three years which begins with the first day of a financial year, so that the first begins with 1 April 2014 and ends with 31 March 2017 and the second begins with 1 April 2015 and ends with 31 March 2018 (and so on).]

Textual Amendments

- F1** S. 175(1) substituted (1.4.2014) by [National Health Service Finance \(Wales\) Act 2014 \(anaw 2\)](#), **ss. 2(2), 3(2)**
- F2** S. 175(2) substituted (1.4.2014) by [National Health Service Finance \(Wales\) Act 2014 \(anaw 2\)](#), **ss. 2(3), 3(2)**
- F3** S. 175(2A) inserted (1.4.2014) by [National Health Service Finance \(Wales\) Act 2014 \(anaw 2\)](#), **ss. 2(4), 3(2)**

Changes to legislation: National Health Service (Wales) Act 2006, Section 175 is up to date with all changes known to be in force on or before 28 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- F4** S. 175(6A) inserted (1.4.2014) by National Health Service Finance (Wales) Act 2014 (anaw 2), **ss. 2(5), 3(2)**
- F5** S. 175(8) inserted (1.4.2014) by National Health Service Finance (Wales) Act 2014 (anaw 2), **ss. 2(6), 3(2)**

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 201A-201C inserted by [2017 c. 23 s. 9](#)
- s. 201C(2) words substituted by [2018 c. 12 Sch. 19 para. 118\(2\)](#)
- s. 201C(4) inserted by [2018 c. 12 Sch. 19 para. 118\(3\)](#)
- Sch. 7 para. 1(2A) inserted by [2009 c. 21 s. 32\(3\)](#)